

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2552-01  
Bill No.: Perfected HB 1078  
Subject: Jail Districts: Sales Tax  
Type: Original  
Date: February 28, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>General Revenue</b>	\$0 to Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 to Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue** stated their MITS system would need program changes in order to recognize the new districts and distribute the taxes collected. Officials stated the program changes would require 692 hours of programming at a total cost of \$23,085. The State Data Center cost to implement the proposed legislation would be \$4,503. Total costs are estimated to be (\$27,588) in FY 2003, and \$0 in FY's 2004 and 2005.

**Department of Revenue (DOR)** officials state that if the boundaries proposed in this proposal are all existing county boundaries there would be no fiscal impact to DOR. DOR states that if the proposed jail district does not conform to county lines DOR would incur additional costs.

**Oversight** assumes that Jail Districts that would submit the question of imposing a sales tax would have election costs.

**Oversight** assumes the state would retain a 1% collection fee which would be deposited in the State's General Revenue Fund. The amount of revenue that would be generated in a give year is unknown.

**This proposal could result in an increase in Total State Revenue since collection fees are deposited in the General Revenue Fund and general revenues are included in the calculation of Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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### **GENERAL REVENUE FUND**

<u>Income</u> to Department of Revenue 1% Collection Fee	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<u><b>\$0 to Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Income- Regional Jail Districts</u> Sales Tax Trust Fund	Unknown	Unknown	Unknown
<u>Costs- Regional Jail Districts</u> Operations, Election cost	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Oversight assumes this proposal to be permissive. Jail Districts whose governing body would submit to the voters the question of implementing a local sales tax would have election costs. Oversight assumes that costs would not exceed income resulting in either an annual zero or positive fund balance.**

FISCAL IMPACT - Small Business

Small business located within a Regional Jail District, that would receive voter approval to impose a sales tax would expect to be fiscally impacted to the extent that they would collect and pay the sales tax.

DESCRIPTION

This bill authorizes regional jail commissions to have a 1/8%, 1/4%, 3/8%, or 1/2% regional sales tax for the purpose of operating a regional jail district, if approved by qualified voters of the district.

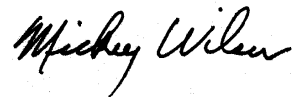
The bill contains further provisions, which include: ballot language; implementation and effective date of the tax depositing revenue; use of funds collected; and establishment of the Regional Jail District Sales Tax Trust Fund and its operation.

Jails operated by private authorities may not participate in regional jail districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
February 28, 2002